



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

**LARRY B. MARTIN
COMMISSIONER**

FOR IMMEDIATE RELEASE
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JANUARY REVENUES

NASHVILLE – Tennessee’s total tax collections fell below budgeted expectations in January. Finance and Administration Commissioner Larry Martin today announced that overall January revenues were \$1.1 billion, which is \$51.6 million less than the state budgeted. January represents the fifth month of negative growth in corporate tax collections this year.

“January sales tax collections reflect consumer spending that occurred during the December holiday buying season and we recorded the largest growth rate we’ve experienced in the past 13 months,” Martin said. “Retailers were more aggressive in holiday marketing strategies.

“April is typically the biggest month for corporate tax filings, which have been volatile here and across the nation for some time. In anticipation of a revenue shortfall, we’re closely monitoring state spending and revenues in order to keep the budget balanced.”

On an accrual basis, January is the sixth month in the 2013-2014 fiscal year.

The general fund was under collected by \$43.8 million and the four other funds were under collected by \$7.8 million.

Sales tax collections were \$6.3 million more than the estimate for January. The January growth rate was positive 4.94%. For six months revenues are under collected by \$18.0 million. The year-to-date growth rate for six months was positive 3.65%.

Franchise and excise taxes combined were \$48.9 million below the budgeted estimate of \$188.6 million. For six months revenues are under collected by \$207.3 million.

Gasoline and motor fuel collections for January decreased by 8.57% and were \$4.9 million below the budgeted estimate of \$71.5 million. For six months revenues are under collected by \$0.6 million.

Tobacco tax collections were \$0.9 million below the budgeted estimate of \$18.5 million, and for six months they are \$6.3 million under the budgeted estimate.

Inheritance and estate taxes were over collected by \$0.1 million for the month. Year-to-date collections for six months are \$15.1 million more than the budgeted estimate.

Privilege tax collections were \$3.1 million less than the January estimate, and on a year-to-date basis, August through January, collections are \$4.4 million below the estimate.

All other taxes were under collected by a net of \$0.2 million.

Year-to-date collections for six months were \$222.7 million less than the budgeted estimate. The general fund was under collected by \$219.6 million and the four other funds were under collected by \$3.1 million.

The budgeted revenue estimates for 2013-2014 are based on the State Funding Board's consensus recommendation of December 19th, 2012, and adopted by the first session of the 108th General Assembly in April 2013. They are available on the state's website at <http://www.tn.gov/finance/bud/Revenues.shtml>.

The Funding Board met on December 10, 2013, to hear updated revenue projections from the state's various economists. The board met again on December 17 and adopted revised revenue ranges for 2013-2014. The revised ranges assume an under collection from the July 2013 budgeted estimate in the amount of \$111.2 million to \$134.5 million in total taxes and in the amount of \$126.1 million to \$145.6 million in general fund taxes for the current fiscal year.

Table 1
Revenue Collections by Fund
January
2013-2014

Fund	2014				2013 Actual	2014	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$904,424,000	\$948,269,000	(\$43,845,000)	-4.62%	\$901,443,000	\$2,981,000	0.33%
Highway Fund	51,719,000	57,256,000	(5,537,000)	-9.67%	60,766,000	(9,047,000)	-14.89%
Sinking Fund	35,324,000	35,259,000	65,000	0.18%	34,356,000	968,000	2.82%
City & County Fund	71,698,000	73,985,000	(2,287,000)	-3.09%	74,438,000	(2,740,000)	-3.68%
Earmarked Fund	2,899,000	2,900,000	(1,000)	-0.03%	2,900,000	(1,000)	-0.03%
Total	\$1,066,064,000	\$1,117,669,000	(\$51,605,000)	-4.62%	\$1,073,903,000	(\$7,839,000)	-0.73%

Revenue Collections by Tax
January
2013-2014

Tax Source	2014				2013 Actual	2014	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$139,670,000	\$188,600,000	(\$48,930,000)	-25.94%	\$172,149,000	(\$32,479,000)	-18.87%
Income	2,912,000	3,459,000	(547,000)	-15.81%	5,837,000	(2,925,000)	-50.11%
Inheritance & Estate	7,192,000	7,085,000	107,000	1.51%	8,523,000	(1,331,000)	-15.62%
Gasoline	47,533,000	50,921,000	(3,388,000)	-6.65%	53,284,000	(5,751,000)	-10.79%
Petroleum Special	4,943,000	5,250,000	(307,000)	-5.85%	5,279,000	(336,000)	-6.36%
Tobacco	17,636,000	18,508,000	(872,000)	-4.71%	18,317,000	(681,000)	-3.72%
Beer	1,282,000	1,522,000	(240,000)	-15.77%	1,507,000	(225,000)	-14.93%
Motor Vehicle Registration	20,131,000	19,263,000	868,000	4.51%	20,674,000	(543,000)	-2.63%
Motor Vehicle Title	979,000	1,001,000	(22,000)	-2.20%	941,000	38,000	4.04%
Mixed Drink	6,508,000	6,438,000	70,000	1.09%	6,319,000	189,000	2.99%
Business	3,553,000	2,421,000	1,132,000	46.76%	2,324,000	1,229,000	52.88%
Privilege	22,762,000	25,851,000	(3,089,000)	-11.95%	23,021,000	(259,000)	-1.13%
Gross Receipts	14,000	83,000	(69,000)	-83.13%	(69,000)	83,000	-120.29%
TVA - In Lieu of Tax Payments	27,076,000	28,410,000	(1,334,000)	-4.70%	27,297,000	(221,000)	-0.81%
Alcoholic Beverage	6,471,000	6,562,000	(91,000)	-1.39%	5,939,000	532,000	8.96%
Sales and Use	743,107,000	736,800,000	6,307,000	0.86%	708,092,000	35,015,000	4.94%
Motor Vehicle Fuel	14,069,000	15,295,000	(1,226,000)	-8.02%	14,221,000	(152,000)	-1.07%
Severance	204,000	177,000	27,000	15.25%	218,000	(14,000)	-6.42%
Coin-operated Amusement	3,000	23,000	(20,000)	-86.96%	26,000	(23,000)	NA
Unauthorized Substance	19,000	0	19,000	NA	4,000	15,000	NA
Total	\$1,066,064,000	\$1,117,669,000	(\$51,605,000)	-4.62%	\$1,073,903,000	(\$7,839,000)	-0.73%

Table 2
Revenue Collections by Fund
Year-to-Date
August - January
2013-2014

Fund	2013 - 2014				2012-2013	2013-2014	
	Actual	Budgeted	B/(W)	Percent	Actual	B/(W)	Percent
General Fund	\$4,609,472,000	\$4,829,085,000	(\$219,613,000)	-4.55%	\$4,594,983,000	\$14,489,000	0.32%
Highway Fund	331,783,000	333,462,000	(1,679,000)	-0.50%	334,020,000	(2,237,000)	-0.67%
Sinking Fund	206,171,000	206,339,000	(168,000)	-0.08%	201,099,000	5,072,000	2.52%
City & County Fund	404,694,000	405,921,000	(1,227,000)	-0.30%	406,499,000	(1,805,000)	-0.44%
Earmarked Fund	17,400,000	17,400,000	0	0.00%	17,400,000	0	0.00%
Total	\$5,569,520,000	\$5,792,207,000	(\$222,687,000)	-3.84%	\$5,554,001,000	\$15,519,000	0.28%

Revenue Collections by Tax
Year-to-Date
August - January
2013-2014

Tax Source	2013 - 2014				2012-2013	2013-2014	
	Actual	Budgeted	B/(W)	Percent	Actual	B/(W)	Percent
Franchise & Excise	\$725,836,000	\$933,100,000	(\$207,264,000)	-22.21%	\$851,420,000	(\$125,584,000)	-14.75%
Income	11,680,000	12,893,000	(1,213,000)	-9.41%	19,176,000	(7,496,000)	-39.09%
Inheritance & Estate	56,356,000	41,254,000	15,102,000	36.61%	48,091,000	8,265,000	17.19%
Gasoline	308,343,000	308,197,000	146,000	0.05%	309,326,000	(983,000)	-0.32%
Petroleum Special	31,589,000	32,057,000	(468,000)	-1.46%	31,665,000	(76,000)	-0.24%
Tobacco	129,535,000	135,822,000	(6,287,000)	-4.63%	135,360,000	(5,825,000)	-4.30%
Beer	8,738,000	8,746,000	(8,000)	-0.09%	8,961,000	(223,000)	-2.49%
Motor Vehicle Registration	115,644,000	113,357,000	2,287,000	2.02%	113,451,000	2,193,000	1.93%
Motor Vehicle Title	5,782,000	6,081,000	(299,000)	-4.92%	5,391,000	391,000	7.25%
Mixed Drink	36,524,000	34,985,000	1,539,000	4.40%	33,884,000	2,640,000	7.79%
Business	46,671,000	45,511,000	1,160,000	2.55%	44,512,000	2,159,000	4.85%
Privilege	127,937,000	132,386,000	(4,449,000)	-3.36%	117,411,000	10,526,000	8.97%
Gross Receipts	11,880,000	14,707,000	(2,827,000)	-19.22%	11,040,000	840,000	7.61%
TVA - In Lieu of Tax Payments	169,651,000	172,238,000	(2,587,000)	-1.50%	173,600,000	(3,949,000)	-2.27%
Alcoholic Beverage	28,784,000	28,147,000	637,000	2.26%	27,251,000	1,533,000	5.63%
Sales and Use	3,673,002,000	3,691,000,000	(17,998,000)	-0.49%	3,543,622,000	129,380,000	3.65%
Motor Vehicle Fuel	80,120,000	80,426,000	(306,000)	-0.38%	78,583,000	1,537,000	1.96%
Severance	1,292,000	1,213,000	79,000	6.51%	1,169,000	123,000	10.52%
Coin-operated Amusement	137,000	87,000	50,000	57.47%	84,000	53,000	63.10%
Unauthorized Substance	19,000	0	19,000	NA	4,000	15,000	NA
Total	\$5,569,520,000	\$5,792,207,000	(\$222,687,000)	-3.84%	\$5,554,001,000	\$15,519,000	0.28%